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Friedens, PA 15541

RECEIVED
FEDERAL ELECTION
COMMISSION

(814) 443-4668 Phone
(814)445-2809 Fax

2016 JUN 28 PM 2: 03

June 27, 2016

Ms. Kathleen Guith

OFFICE OF GENERAL
COUNSEL

Acting Associate General Counsel for Enforcement

Federal Election Commission

999 E Street, N.W.

Washington, D.C. 20463

Re: MUR 6658 / PBS Coals, Inc. (by overnight mail)

Dear Ms. Guith:

This is in response to your letter of June 8, 2016, which I received on June 13, 2016, regarding a possible violation of federal election campaign laws as a result of a complaint filed October 12, 2012. The possible violations that you stated in your letter are a failure on the part of PBS Coals, Inc. ("PBS") to include a proper disclaimer on yard signs and a failure to report independent expenditures in connection with these signs. In response to this complaint and potential violations, I offer the following:

- At the time of the complaint (September 2012), PBS was owned and operated by Severstal Resources ("Severstal"). PBS was purchased by Corsa Coal Corp. ("Corsa") in August 2014.
- None of the current officers and members of upper management of either PBS or Corsa worked for PBS/Severstal in 2012.
- I did not start working for Corsa / PBS until February 2015.
- After receiving your letter, we searched our purchasing records and found that PBS spent \$7,741 in the fall of 2012 for yard signs of the type mentioned in your letter and other political advertising. Of this amount, \$5,568 was for the yard signs. However, we do not know if a disclaimer was included on the yard signs and therefore cannot determine whether or not the signs were compliant with federal election laws.
- The PBS/Severstal personnel responsible for authorizing the sign purchase in 2012 do not currently work for PBS.
- The geographical area where Ms. Farrell observed the signs (Mercer County, PA) is over 100 miles from the area of PBS' operations, which are centered near Somerset, Somerset County, PA. So it is extremely unlikely that the signs Ms. Farrell observed were the ones purchased by PBS.

I have enclosed the Designation of Counsel form with our attorney's information. Also, as described in the procedures enclosed with your letter, we are interested in discussing conciliation to settle this matter. If you need to reach me, my office number is 814-443-4668, ext. 239.

Sincerely,

Peter Merritts

President, PBS Coals, Inc.

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FEDERAL ELECTION COMMISSION
 999 E Street, NW
 Washington, DC 20463

STATEMENT OF DESIGNATION OF COUNSEL

Provide one form for each Respondent/Witness

FAX 202-219-3923

MUR # 6658

Name of Counsel: John A. Bonya

Firm: Bonya Gazza & DeGory, LLP

Address: 134 South 6th Street
Indiana, PA 15701

Telephone: 724-465-5535 Fax: 724-465-9685

E-mail: jab@bgdlawfirm.com

The above-named individual and/or firm is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

06-27-16 Peter Merritts PRESIDENT
 Date Signature (Respondent/Agent) Title
PBS COALS, INC.

RESPONDENT: PBS COALS, INC. / PETER MERRITTS
 (Committee Name/ Company Name/Individual Named in Notification Letter)

Mailing Address: 1576 STOYSTOWN ROAD, P.O. Box 260
 (Please Print) FRIEDENS, PA 15541

Telephone (H): _____ (W): 814-443-4668, X239

E-mail: pmerritts@corsacoal.com

This form relates to a Federal Election Commission matter that is subject to the confidentiality provisions of 52 U.S.C. § 30109(a)(12)(A). This section prohibits making public any notification or investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.

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